Founders Unite for Startup School

[The following article was originally intended for Wired News, but was rejected for not being about any of its advertisers.]

Experts agree that it smells like a new startup age is beginning to boom. This time, however, it's being led by geeks themselves instead of business guys. At the center of this democratizing force is the new funding firm Y Combinator, led by Internet entrepreneur and essayist Paul Graham.

Y Combinator burst onto the scene by offering small grants to promising graduates (average age: 23) to pursue their ambitions in startup form over the summer. And this past weekend, the people behind Y Combinator, in association with the Harvard Computer Society, took their show to the masses, inviting 500 of the most promising startup founders to Harvard University for an intense one-day lecture series on all aspects of starting a company.

The weekend was kicked off with a smaller reception at Y Combinator's offices the night before. The room pulsed with networking between the various would-be founders, as well as some interesting meeting with some of the guests of honor.

"Last night was the first time I met my lawyer," said Steve Huffman, Lord Ruler and Supreme Leader* of Reddit, one of the companies Y Combinator has funded. "The first thing I said was 'Am I getting charged for this?' 'No,' she told me. 'There are rules preventing us from charging for parties.'"

Meanwhile, clusters of people formed around the night's VIPs, including blogger Joel Spolsky, scientist Stephen Wolfram, and, of course, the Reddit developers themselves, who found themselves deluged by excited fans.

The startup school itself was a similarly star-studded event, with Apple Computer co-founder Steve Wozniak telling the story of how his company got started. Michael Mandel, chief economist for *BusinessWeek* touted the virtues of America's entrepreneurial culture to the assembled crowd. "People starting companies and risking failure are what makes America so great. The people in this room are doing God's work," he said to applause.

Senior officials from Google and Yahoo both espoused the virtues of their respective companies. Lawyers from top-tier law firms provided advice on protecting a company's intellectual property and navigating some of the complex legal waters of the modern business world. Founders Langley Steinert, Marc Hedlund, and Olin Shivers tried to share some of their assembled experience.

Because space was limited, people who wanted to attend simply needed to fill out a simple questionnaire about their background, but the event was entirely free of charge. It might seem unusual for a company interested in helping hackers start companies to try to give some of that value away but Paul Graham had an explanation. "There's a concept in venture capital known as 'deal flow'," he said in an interview. "The deal flow is all the interesting startups to fund flowing by. And venture capitalists just try to grab the best ones for themselves. Well, we think the real solution to this is to increase the total deal flow for everyone."

Paul Graham himself gave a very well-received talk on how to come up with ideas for startups. The thing that trips people up, he suggested, was mistakenly thinking that a good startup idea needed to be a million-dollar idea. Instead, he proposed prospective founders simply look around for things that are broken with the world and try to fix them.

Video of the talks will be available on the startup school website shortly.

Jessica Livingston contributed to this report. Sigh and Wrinkle contributed additional style tips from California.

* An earlier version of this article incorrectly referred to Steve Huffman as CEO of Reddit. Aaron Swartz: The Weblog regrets the error. Return to the article.

You should follow me on twitter here.

October 16, 2005